



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT FILLMORE FIELD OFFICE

35 East 500 North  
Fillmore, UT 84631



In Reply Refer to:  
3800  
(U-010)  
UTU-079454

August 29, 2003

CERTIFIED MAIL #7002 3150 0004 1702 0389  
RETURN RECEIPT REQUESTED

GEORGE FINNEGAN  
RESIDENT AGENT  
WEST DESERT GRANITE  
PO BOX 1178  
RIVERTON UT 84065

Dear Mr. Finnegan:

Thank you for speaking with Sheri Wysong today regarding West Desert Granite's mining operation at Desert Mountain. We called you to verify your address of record. You said that West Desert Granite's address is PO Box 1178, Riverton, UT, 84065, and that your personal address is 12479 S Redwood Road Rear, Riverton, UT 84065. We are writing to confirm those addresses, and to clarify our position on West Desert Granite's permit.

Resource Design Solutions (RDS) disturbed approximately 6.6 acres at the site in the summer and fall of 2000. This was a violation of the 43 CFR 3809 regulations, since RDS did not have an approved Plan of Operations and reclamation bond in place prior to exceeding five acres of disturbance. After we made numerous attempts to get RDS to either reclaim the site or submit a complete Plan of Operations, I issued a Permanent Cessation Order on February 7, 2002.

On January 20, 2001, new regulations went into effect that required all operators under 43 CFR 3809 Notices to give written notification to the BLM if they wished to extend their notice(s) beyond January 21, 2003. We attempted to inform you of this requirement by sending you a letter dated July 12, 2002, addressed to 12430 S. Redwood Rd., Riverton, UT, 84065, however that letter was returned by the Post Office (copy of envelope enclosed). Upon further correspondence, the Post Office gave us a forwarding address of 4142 Redtail Dr., Riverton, UT 84065 ([copy of Address Information Request enclosed]). You did not extend your Notice; therefore, it expired on January 21, 2003. You cannot submit another Notice, since your operation exceeds five acres of disturbance. Since the operation is located within a Community Pit, and we believe the granite which you are mining is a common variety, therefore not locatable under the mining laws, the proper

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DIV. OF OIL, GAS & MINING

means to mine the material is by purchasing it from the United States Government under the 43 CFR 3600 regulations. A copy of those regulations is enclosed.

In order to expedite the approving the permit and bringing the operation into compliance, we will only consider, at this time, entering into a noncompetitive sale for 200,000 cubic yards or less of material. Our analysis of Norwest Mine Services *Desert Mountain Reserve Study* leads us to believe that you can easily extract that amount from the SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 35, T. 12 S., R. 7 W. and use the waste rock and overburden to reclaim the site back to a 3:1 slope. We suggest you design your mine plan to allow for as much concurrent reclamation as possible. Norwest's study also indicates that as much as 50% of the rock mined will be waste. Your reclamation plan should address the storage and reclamation of the waste rock, as well as the overburden and topsoil.

On May 30, 2003, we sent you a certified letter to your address at 12479 S Redwood Road Rear, Riverton, UT 84065. It was returned unclaimed (copy of envelope enclosed). A courtesy copy of the letter, sent to the Redtail Rd. address was also returned. In that letter we stated that, before we would process a mineral material application, you must submit a good-faith financial guarantee for the amount needed to reclaim the existing disturbance. We estimate the reclamation cost at \$6105.00. Once you have submitted the financial guarantee, and a *complete* mine plan, we estimate it will take at least 60 days to process the application. Please keep in mind that \$6105.00 is what is estimated will be necessary to reclaim the existing 6.6 acres of disturbance. Your final reclamation cost estimate will be based on the disturbance proposed to be created under the mineral material sale, and will probably be substantially higher. You will not be allowed to begin mining until a financial guarantee that satisfies both the BLM and the Utah Division of Oil, Gas and Mining (UDOGM) is in place. UDOGM typically requires an interim bond of \$5000 per acre if an operation exceeds five acres without first having an approved Large Mine Operation plan in place. You may be required to submit a financial guarantee of \$33,000 before you begin operations, if UDOGM cannot complete processing the Large Mine Plan in time. However, we anticipate that the bond required for a mine large enough to extract 200,000 cubic yds of material would be at least \$33,000.

You must also pay 5% of the total contract amount up front. Using hypothetical but realistic numbers: 200,000 cubic yards X two tons/cubic yard X \$8.00/ton X .05=\$160,000.00, that would be your initial payment that would apply towards the final 20,000 tons removed under the contract. After making the initial payment, you would pay monthly for the value of the material removed the previous month. You would have up to five years to satisfy the terms of the contract.

You may also purchase an over-the-counter permit for 250 tons of material, at \$8.00 per ton with a \$10 per ton non-refundable reclamation fee. By doing so, the site would be considered a community pit, and all claimants' liability would be nullified. You would have 90 days to remove the material. Since UDOGM doesn't require bonds for community pits, you could operate indefinitely in this manner (the reclamation fee would decrease once enough money accumulates to recoup the cost to the BLM of reclaiming the site) however, other members of the public could also purchase over the counter permits, and quarry at the site. Since there is currently a mining claim

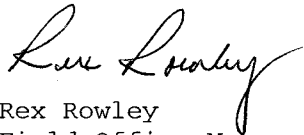
located over the community pit, we should consult with all the claimants before selling the material to the public. Please send us contact names and addresses for the following corporations:

Desert Mountain Holding LC  
Desert Mountain LC  
Desert Mountain Mining LC  
Desert Wind Granite LC  
Desert Wind Mining LC  
West Desert Granite LC  
West Desert Mining LC

On July 11, 2003, all the claimants for the operation were issued an Order to begin reclamation of the site by August 19, 2003. That deadline has passed, and this issue is still not resolved. If we do not receive the good faith financial guarantee by September 30, 2003, we will continue the administrative process necessary to complete the reclamation and recoup the cost to the government.

If you have any questions, please feel free to contact Sheri Wysong at (435) 743-3124.

Sincerely,



Rex Rowley  
Field Office Manager

Enclosures

Copy of Envelopes (2)  
Copy of Address Information Request  
Copy of 43 CFR 3600 Regulations

cc: Tom Munson, UDOGM (M/023/067)  
Laura and Joe Dunlop, 2236 Karalee Way, Sandy UT 84092  
(with enclosed copy of the 43 CFR regulations)  
George Finnegan, 12479 S Redwood Rd., Rear, Riverton, UT, 84065  
Jack Finnegan, 10817 S Canterwood Ct., S. Jordan, UT 84095  
Joe Finnegan, 27 Lone Hollow Dr., Sandy UT 84092